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August 14, 2007 34717.00007

Graham Sutcliffe  
Vinson & Elkins LLP  
2801 Via Fortuna, Suite 100  
Austin, Texas 78746-7568

Re: *AdvanceMe v. AmeriMerchant*, Case No. 6:06-CV-00082 (LED) (E.D. Tex.)  
First Funds' Hard Copy and Electronic Documents

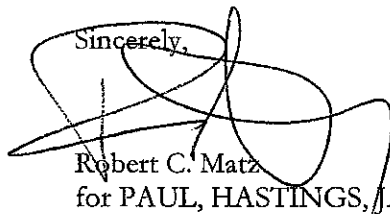
Dear Graham:

I write to discuss First Funds' hard copy and electronic documents.

With respect to First Funds' electronic documents, please burn them onto CDs or DVDs and send them to AdvanceMe immediately. These documents should have been produced more than a year ago and it is absurd to suggest that AdvanceMe can properly prepare its case if it has to fly attorneys to New York every time it needs to conduct an electronic search of these documents. Please produce these electronic documents immediately or AdvanceMe will bring this matter to the attention of Judge Love.

With respect to First Funds' hard copy documents, First Funds has egregiously violated the Court's previous sanctions order by failing to produce them. Though it would take us weeks, if not months, to adequately review the documents First Funds has sprung on AdvanceMe one year too late, the fact remains that the remaining depositions in this case commence next week. Given this schedule, AdvanceMe has no choice but to do whatever it can to start looking at the documents in the hope of reviewing at least a small percentage of these documents before these depositions. To this end, we have scrambled to rearrange our schedules so that I can fly to New York this week. Please confirm the hard copy documents will be made available from August 15th until August 17th.

Sincerely,



Robert C. Matz  
for PAUL, HASTINGS, JANOFSKY & WALKER LLP